

TEACHERS' RETIREMENT BOARD  
BUDGETS AND AUDITS COMMITTEE

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SUBJECT: Proposed Budget Control Language

ITEM NUMBER: 4b

ATTACHMENT(S):   

ACTION: X

DATE OF MEETING: October 11, 2001

INFORMATIONAL:   

PRESENTER: Peggy Plett

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Staff requests direction from the Board regarding submittal of proposed control language in the Budget Act to increase our budget flexibility (Attachment I). This language allows CalSTRS to increase our budget authority by up to 10% to fund unanticipated administrative expenses in providing services to our members. Had this authority been available in the current year, we would have been able to avoid the deficiency process.

Proposed Control Language to the 2002-2003 Budget Act

“Notwithstanding any other provision of law, the Teachers’ Retirement Board (Board) may augment this item by up to an aggregate of 10 percent if the Board determines, by resolution adopted by the Board, that an augmentation of funds appropriated pursuant to this item for the support of the State Teachers’ Retirement System is necessary to pay unanticipated expenses payable from this item that are related to the payment of benefits to members, participants or beneficiaries of the State Teachers’ Retirement Plan or to maintain the level of service to members, participants or beneficiaries of the State Teachers’ Retirement Plan or to employers, as defined in Section 22131 of the Education Code. If the Board augments this item, the Board shall notify the Department of Finance, the fiscal committees of the Legislature and the Joint Legislative Budget Committee within 30 days after that augmentation is made as to the amount and justification for the augmentation. Any augmentation that is deemed to be necessary on a permanent basis shall be submitted as part of the normal budget development process.”